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Workers' Control Series, Number Two

WORKERS' CONTROL IN THE DISTRIBUTIVE INDUSTRY

A PLAN FOR CO-OPERATIVE EMPLOYEES AND SHOP WORKERS

BY

G. D. H. COLE

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"Chaos and Order in Industry"

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WORKERS' CONTROL IN THE DISTRIBUTIVE INDUSTRY

I

The Distributive Industry

I COME now to the last of the group of industries which I have selected for special treatment in this book. This is the group which centres round Distribution, wholesale and retail, and includes also certain closely allied forms of production. Retail distribution, the point at which the organisation of society on a basis of service comes into direct contact with the domestic consumer, provides the key to the treatment of this problem.

At present, retail trading is organised and carried on by three distinct types of agency. First, and to a very great extent, by small shopkeepers, from the keeper of the tiny village shop to the tobacconist and the second-hand bookseller or curio dealer. Secondly by the big capitalist stores and multiple shops, such as Selfridge's or Harrod's in the first class, and Lipton's or Boots in the second. And, thirdly, by the Co-operative Movement.

The position of the small shopkeeper is similar in several respects to that of the small-scale producer. Either of

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them may be merely a worker on his own, employing nobody outside his own family, or only a single journeyman or "apprentice." Or he may employ wage-workers, and thus pass, by unnoticeable stages, into the class of persons who can be properly termed capitalists. It is as much an absurdity to call a small tobacconist a capitalist as it would be to call Mr. Selfridge anything else. A very large number of shopkeepers occupy, like many small workshop or factory owners, an intermediate position, half-way between the "independent producer" and the capitalist.

About the position of the owners of the big stores or businesses controlling multiple shops, there is no ambiguity. Most of them, like most big capitalist productive concerns, are limited companies, and they partake to the full of all the essential characteristics of the capitalist form of organisation.

The factors which make the problem of distribution essentially different from that of most of the productive industries are, first, the presence, in enormous numbers, of the small shopkeepers; and, secondly, the important position occupied by the Co-operative Movement. In the view of the average private trader, the Co-operative Movement is merely a huge multiple shop concern, like Lipton's or the Maypole, only very much bigger, working in the market with a great advantage on its side which to the private trader seems an unfair advantage. In the eyes of Socialists at least, it must appear very differently; for this "unfair advantage" is, in fact, nothing less than that the Co-operative Movement does not work for profit, but distributes all the commodities in which it deals at cost price, charging in the first instance, it is true, ordinary commercial prices, but returning the balance to the cus-

tomer in the form of a dividend on purchases. The essential fact to realise about the Co-operative Movement is that, except in the insignificant item of "trade with non-members," there is not a ha'p'orth of profit made in it from beginning to end. It is "distribution for use, and not for profit." [1]

In deciding, therefore, upon the policy which we propose to adopt in dealing with the problem of distribution, it is essential, first of all, to make up our minds about our attitude to the Co-operative Movement. Apart from this central fact that Co-operation distributes not for profit but for use, and is thereby distinguished clearly and absolutely from all forms of capitalist production, what are the essential points that we have to keep before us in formulating our policy? We have to remember that Co-operation is essentially a working-class movement as much as Trade Unionism—a movement created by the workers themselves for the purpose of emancipating themselves from one particular form of capitalist exploitation [2]—a movement directly owned and controlled by a huge section of the working-class.

It would be inconceivably foolish and futile for us either to take up an attitude of opposition to a working-class movement which operates as a distributing agency for use and not for profit, or to allow ourselves, by a failure to seize the possibilities of Co-operation, or to allow fully for it in our vision of the new society, to be forced into an actual opposition to it. We must recognise the function of Co-operation not only in the society of to-day, but also

[1] Co-operation, in its aspect as a productive agency, is dealt with later in this chapter. See pp. 15 ff.

[2] The wider theories behind co-operation are also dealt with later. See pp. 11 ff.

in the society of to-morrow: we must seek both to link the two great working-class movements of Trade Unionism and Co-operation firmly together for the fight against Capitalism, and to provide for their harmonious joint action, each within its proper sphere and functions, when Capitalism has been overthrown.

A few years ago, nationalisation and municipalisation were Socialist shibboleths. The nationalisation or municipalisation of *all* the means of production, distribution and exchange was assumed to be essential to the creation of a Socialist Society. To-day, this is no longer the case. Nationalisation and municipalisation are recognised to be useful means to the expropriation of capitalist industries, although even in this sense they are only useful first steps to socialisation; but the question whether *all* industries must pass through the stage of nationalisation or municipalisation is recognised to be an open question, to be settled, not in accordance with a rigid Collectivist principle, but on lines of expediency involving a consideration of the particular circumstances of each industry or service.

It seems to me to be both wrong and foolish to propose at any stage the nationalisation or municipalisation of the greater part of the distributive services now carried on by the Co-operative Movement. Co-operation is an essentially communal form of organisation, fully as consistent as national or municipal ownership[1] with the working of a Socialist Society. The working-class, which represents the community movement in present-day Society, has developed for itself a particular form of ownership in the large section of the distributive industry which enables

[1] I am not here raising the question of workers' control within the distributive industry, *i.e.* of the Distributive Guild and its relation to Co-operation. To that I shall come shortly.

that section of the industry to be carried on for use and not for profit. This seems to me an excellent *prima facie* reason for not interfering with this form of ownership, but for adopting it as an essential form of community ownership side by side with national and municipal ownership. Moreover, there is another excellent reason why we should accept and welcome Co-operative ownership of industry and the Co-operative form of organisation as essential parts of communial Socialism. The distributive industry, and the forms of production closely allied to it, are distinguished from most of the other industries by the fact that they come into direct contact with the ultimate consumer of individual products. They are not, like the iron and steel, the engineering or the cotton industry, mainly concerned with intermediate products intended for use in subsequent processes of manufacture or service ; they are not, like the public utility services, gas, water, transport, etc., concerned with the supply in bulk of certain continuous services to the whole of the dwellers in a particular area ; they are handling commodities which are mostly bought in small quantities by the individual domestic consumer, in the majority of cases a woman, with a direct exercise of choice and personal fancy.

Accordingly, even if we take it for granted that some form of consumers' representation is necessary and desirable in relation to every industry and service, we may still quite legitimately hold that the forms of representation and organisation should be different in the case of industries and services of widely different types. Forms of representation arising out of national ownership may be desirable in the great productive industries and in national utilities such as coal and railways : forms arising out of municipalisation may suit the bulk services of a more local

character; while for the range of services most closely connected with the individual and domestic consumers Co-operation may well prove to be by far the best form of representation available. Moreover, with the awakening of the public consciousness of women, the Co-operative form of organisation will afford an admirable field for the extension of their influence into the public service, and a means of training for citizenship for the housewife as valuable as Trade Unionism has proved for the industrial workers.

Our consideration, then, of the problem of distribution must begin with a full recognition of Co-operation as the best means of representing the point of view of the working-class consumer. This does not imply any blindness to the shortcomings of the Co-operative Movement, any more than faith in Trade Unionism implies a blindness to the faults of the Trade Unions. What it does imply is the necessity of awakening in the Co-operative Movement the same constructive forces and tendencies as have already been awakened in Trade Unionism, and devoting to the extension of Co-operative membership the same energy as has been devoted to the expansion of Trade Unionism during the last few years.

If a vast expansion of Co-operative distribution is desirable, what is to become of the other forms of distribution which were described at the beginning of this chapter? For Co-operation to expand so as to drive private traders out of business by direct competition would take, not time, but eternity, even if it were only a question of dealing with the multiple stores and capitalist concerns. As for the small trader, the more he is crushed by competition and driven into the Bankruptcy Court, the more successors seem to arise in his place. We must,

then, find some speedier and more effective way than the natural expansion of Co-operation, which is, in any case, seriously checked by the shortage of available capital. As far as the "capitalist" private traders and the big multiple stores are concerned, I suggest nothing less than their expropriation by the State and their transference to the control of the Co-operative Movement. I should like to see the whole working-class movement placing this proposal in the forefront of its programme.

This would not, in itself, deal with the small private shopkeeper, and I do not suggest or desire any such drastic method of dealing with him. The small shopkeeper's continued existence in face of the economic pressure of the big multiple stores is, no doubt, partly the result of his greater willingness, largely enforced by his economic position, for credit transactions; but it is also and far more the result of the dog's life the shop assistant leads under capitalism, and a natural and healthy expression of his desire for self-government. It may have been very muddle-headed of Kipps to desire to start a shop of his own; but was he not a better man for the spark of love for freedom which made him do so? If we could provide for conditions of greater freedom and self-government within the large-scale distributive industry, one of the main incentives to the unnecessary multiplication of small shops would disappear.

I do not mean by this that the small shopkeper would disappear altogether, or that I even wish him to do so. The desire of men of certain types to work "on their own" in preference to forming a part of some larger organisation must be respected, and arises from a deep human instinct which no form of social organisation will remove. If the greater part of the distributive industry were brought under

Co-operative ownership the survival of the small shopkeeper would present no social danger and would be in many respects actually of value. In certain classes of dealing, personal " virtuosity " is every bit as important as a high degree of personal craftsmanship is in certain forms of small-scale production. Just as I believe that the independent craft-master will always survive, and indeed flourish far more than to-day, under a democratic industrial system, so I believe that the small " connoisseur " shopkeeper will survive to a considerable extent. In any case, Heaven forbid that we should herald the coming of economic democracy by assaulting and destroying a class of small service-renderers who are no more capitalists in any real sense that the majority of wage or salary earners! Our job is to overthrow capitalist production by bringing large-scale industry under communal ownership and democratic control. If we can do that, we can well afford to let the loose ends of the economic system adjust themselves in their own way to the new conditions. Let us at all costs avoid becoming narrow doctrinaires and applying our theories in the spirit of the Inquisition.

Our policy, then, should be to let the small shopkeeper alone, and to concentrate, first, on bringing about a really close working alliance between the two great people's movements of Trade Unionism and Co-operation, and on making this alliance no less water-tight in the sphere of theory than in immediate practical politics; and, secondly, on expanding the number of Co-operators by every means in our power, and demanding and securing the handing over to the Co-operative Movement of the great distributing agencies which are now in the hands of private capitalists.

II

Co-operators and "Nationalisers"

Already, in the joint discussions between Trade Unionists and Co-operators which have become so numerous during the last few years, an apparent cleavage in social policy and ideals has made itself manifest. The Trade Unionists, who have at their Congresses committed themselves to the "nationalisation of the means of production, distribution and exchange," start with a preconception in favour of nationalising or municipalising everything, including ultimately the services now owned and controlled by the Co-operative Movement itself. Co-operators, on the other hand, without anything like so definite a theoretical position, tend to start with a preconception in favour of a gradual extension of Co-operation to all industries and services, although most of them would admit that this will not be practical politics for a very long time to come; and some would repudiate such idealism altogether, and say that they prefer to avoid "Utopianism," and get on with the practical business of extending Co-operative enterprise when and where they can. While these two points of view remain as at present, without any attempt to find a reconciliation between them, there will always be a grave danger of a practical conflict arising unexpectedly over some particular service or proposal.

Indeed, such a conflict might easily have arisen on two distinct issues during the past two months. Labour has long advocated the municipalisation of the distribution of coal; but some Co-operative Societies distribute coal to their members, and do it extremely well and at a very low cost. Labour advocates a municipal monopoly in the

distribution of milk; but a few Co-operative Societies already distribute milk, and, in some cases at least, do it very much better than the private trader. In the case of coal, the difficulty has been overcome by advocating that it should be open to the local authority to allow a Co-operative Society to act as its agent in distributing coal in its area, and it is almost certain that the same proposal will be adopted in the case of milk. But, sensible as both these compromises are, they do not touch the real difficulty, and they could not be applied to the wider issues of a similar kind which are certain to arise in the near future unless some method of reconciling the divergent points of view is discovered.

What, then, are the essential features of the problem? It has to be considered in two separate aspects, first, in relation to the immediate situation; and, secondly, in relation to the more distant future, and to what is theoretically desirable.

The general principle at which I have hinted already more than once in this chapter is that the Co-operative Movement, extended to cover the whole mass of domestic consumers, is the right organisation for representing the consumers' point of view in relation to those commodities and services which are directly purchased by the individual consumer in small quantities for domestic or personal use, that is, roughly the greater part of the field at present covered by retail trade and certain small allied productive services. On the other hand, it seems to me that a different form of organisation is required for dealing with local public utilities, and another form again for dealing with the great national services and productive industries which do not come into direct contact with the ultimate consumer. I do not say that these three types are necessarily exhaustive

in the sense that there are no others ; but they seem to me to cover the three main groups of cases. In the first group, Co-operative ownership affords the solution of the problem, in the second municipal or regional ownership,[1] and in the third national ownership.

This is, of course, only a broad generalisation, which still leaves open many disputes about "border-line" cases. These border-line cases belong to two main types. Either a particular service is in dispute because it is regarded by some as a local "public utility" and by others as a "domestic" service, or a question arises whether a particular form of production is closely enough allied to distribution to be removed from the "nationalisable" into the "co-operative" group.

The cases of the first type are mainly in the sphere of distribution. No one doubts that trams, electricity, gas and water are public utility services, falling definitely within the municipal group. But what about milk distribution ? Milk is essentially, in one aspect, an article of domestic consumption, and therefore seems, when looked at from this point of view, to be plainly "co-operative." But the milk supply is also vitally related to the great municipal and national service of Public Health, and this seems to place it no less clearly in the municipal group. Theoretically, I incline to making milk distribution a co-operative service under Public Health inspection ; but practically this is at present impossible, because there is no chance or hope, under present conditions, of establishing a co-operative monopoly. A monopoly, however, is essential to effective.

[1] I am speaking here of municipal ownership without raising the question, discussed in the first chapter of *Self-Government in Industry* (edition of 1919), where there will be several forms of local authority on a functional basis.

supply. There is, therefore, no course left but that which Labour has actually adopted of advocating a municipal monopoly, with power to the local authority to use the Co-operative Society as its agent in distribution.

Or take the case of coal distribution. Coal goes partly to the domestic user, but in much larger quantities it is used by an intermediate consumer for further production or service, as in ships or railways, in the big productive industries like iron and steel manufacture, or in the local utility services such as gas production. In order to secure efficiency and economy, the supply of coal to local factories, utility services and domestic consumers ought to be in the same hands, which can therefore only be those of the local authority, unless, indeed, coal distribution is made a function of the railway service. Here, again, the sensible immediate policy seems to be that of municipal monopoly, with power to use the Co-operative Society as an agent, where this is desired, for retail domestic distribution. The case for Co-operative participation is, however, very much less strong in the case of a bulk service such as coal than in that of milk, and, unless the Co-operative Societies were in some cases already in the field, it would be unnecessary to bring them in.

The reason why some Co-operative idealists will view the above arguments with misgiving is that they fear lest, one by one, under cloak of similar reasonings, all or nearly all the distributive functions of Co-operation may be taken away, and transferred to the local authorities. I certainly do not mean to support any such process. The two cases cited above do seem to me to be exceptional and marginal, and I have no sympathy at all for the municipalising fanatics who want to municipalise everything, including the distributive side of the Co-operative Movement itself.

The second set of marginal cases raises far more difficult problems. On the basis of its distributive activities, both wholesale and retail, the consumers' Co-operative Movement has built up a large number of productive enterprises. Many of the retail stores have their own productive departments, especially in such trades as baking, tailoring, and boot and shoe repairing, and some go further, and own their own farms. The two Co-operative Wholesale Societies have gone much further, and have created, on the basis of their wholesale distributive activities, huge factories manufacturing soap, boots, biscuits, cigarettes, garments, etc., printing works for books and periodicals, flour mills, tea plantations in Ceylon, and other productive enterprises at home and abroad. They engage largely in international trade, and have for this purpose their own fleets of ships. What, they ask, is to happen to all these productive enterprises if the Labour movement pushes to a successful issue its policy of nationalisation of the means of production ? [1]

So far as the great productive industries are concerned, I do not see that Co-operative ownership can be maintained. If the mines are nationalised, the one Co-operative mine will have to be nationalised also. But the mass of the productive operations carried on by the Co-operative Movement is not located in industries to which the policy of nationalisation is likely to be applied soon, and a great many of its operations belong to industries whose nationalisation at any stage seems to me to be extremely doubtful. If the policy advocated in the first part of this chapter

[1] I am here again consciously leaving out of account the question of workers' control in industry, which is dealt with in the next section. Throughout this and the preceding section, the problem is being discussed in terms of ownership.

were carried out and the big multiple stores were transferred by law to the Co-operative Movement, the large productive enterprises of a similar type which they maintain should, I think, be transferred also. I would go further, and say that the right policy to pursue in relation to the whole of such industries as flour-milling, baking, biscuit-making, soap-making, and even such great industries as boot-making and tailoring, is that these should pass by a similar transference under the ownership not of the State or the local authority, but of the Co-operative Movement.

I will go further. One of the most frequent questions addressed to Socialists of any type is, "How would you run the whole business of journalism and publication under Socialism?" A Guild Socialist can reply, so far as the control is concerned, with a reference to Guild organisation of printers and journalists. But this still leaves unsolved the problem of ownership, and it is widely recognised that a Press owned by the State, or by any central or local government of any kind, would be the very denial of the free Press which we desire. There is no equally strong objection to Co-operative ownership, which would provide both local and national bodies independent of the political machinery of Government and suitable to represent the consumers of printed matter. Books and newspapers are essentially articles of individual or domestic consumption, and therefore fall most naturally into the Co-operative group. I therefore suggest that the printing and publishing industry should be co-operatively owned. A greater localisation of the Press and of authorship generally would, I believe, directly result from free economic conditions, and accordingly the local Co-operative bodies would be more closely concerned than the national bodies with

the representation of the consumer of at least daily journalism.

This may sound fantastic to many readers ; but it will only seem so, I think, if they have missed my real point. I am far from suggesting that the Co-operative Movement ought to edit all newspapers and magazines, or that it ought to own all newspapers and magazines. The bulk of journalism under a Guild system would probably consist of either definite organs of some Guild or other social association, or of purely private or group ventures directly supported by their own clientèle. The question I have in mind is that of the ownership of big printing-presses and of the business side of daily newspapers. I do not suggest a Co-operative monopoly of the ownership of all printing plants ; but I do suggest that the larger plants, both for newspaper and book production and for general printing, should be owned co-operatively rather than by a local or national authority. The co-operatively-owned and Guild-controlled printing works would then take their orders, without drawing political or other partisan distinctions, from Guilds, other associations, voluntary groups or individuals. Co-operative ownership is to be preferred, because it would afford better safeguards than any other form of " public " ownership for a free Press responsive to the demands of groups and individuals of every kind. At the same time, there is no reason why small-scale private presses should not continue and even develop to a far greater extent than they can to-day.

This is not to suggest that a great productive and " service " industry such as printing and publishing should be regarded as a branch of, or subordinated to, distribution, but that the mission of Co-operation concerns a much wider range of activities than distribution alone,

and that the distributive service will, indeed, be only one of a number falling within the co-operatively owned, as distinguished from the nationally owned or the municipally owned, group. Certain small-scale forms of production, such as boot-repairing and some kinds of dressmaking, will probably be directly connected, in the future as they are now, with the distributive service; but in addition to, and quite apart from, these, there will be whole industries and services under Co-operative ownership and related to the Co-operative Movement in the same way as other industries and services will be related to local or national public authorities. The next section, which deals with the productive, or Guild, organisation of these industries, should serve to make my meaning perfectly clear.

I believe that a recognition of this division of industries and services into these various types, in which national, municipal or Co-operative ownership should be aimed at according to the character of each industry or service, would afford a basis on which a really stable alliance between Trade Unionism and Co-operation could be built up. This alliance would, of course, have to include also an agreement on the questions of control, as distinct from ownership, dealt with in the next section. If an agreement could be come to on these two points, the whole working-class movement would gain an enormous accession of strength in its day to day struggle against exploitation; for a common ultimate social programme would make possible, what is hardly possible to-day, a real working alliance between the two movements in present-day economic and political action.

III

Co-operation and Workers' Control

The Co-operative Movement, apart from the small number of societies of producers in such industries as boot-making, textiles and a few others, is a movement of *consumers*. The form of industrial control which it represents is consumers' control, and the position of the worker employed by a Co-operative Society is, from the standpoint of control, no more satisfactory than the position of a worker in private, or in State, employment. In a wider sense, it is better than that of the employee of a private business, because the Co-operative Society produces and distributes for use and not for profit; but this only places the Co-operative employee in the same position as the employee of the State or of a local authority. There is, however, one further important difference which, while it has so far produced little or no practical effect, is strong reason for hope. The employers of the Co-operative employee, that is, the Co-operative members, are predominantly working-class and largely Trade Unionist. They can, therefore, hardly be unaffected by the strong movement among the Trade Unionists for democratic control of industry, and, if a practical programme of democratic control in the Co-operative Movement can be placed clearly before them, they can be brought to support it and to overcome any opposition which the bureaucracy of Co-operation may offer.

If Guild Socialist arguments are sound at all, then the Co-operative Movement, as an organisation of consumers, is no more fitted to *manage* industry than the State or a

local authority. The arguments in favour of control by the workers actually engaged in the service hold good just as much of the distributive and other services in which the Co-operative Movement is engaged as of other industries and services, and the position is, *in this respect,* in no way affected by the fact that Co-operation is a working-class movement producing for use and not for profit. This last fact, however, while it does not affect the need for producers' control, does profoundly affect the methods to be adopted in securing it.

Let us compare the position of the employees of the Co-operative Movement in demanding control, first, with the position of workers under a private capitalist employer, and secondly, with that of workers under the State or a local authority. In the first case, the difference is obvious. Since Co-operation is a working-class movement not producing for profit and well fitted to express the point of view of the domestic consumer, there is clearly no need to change the ownership of the service, so far as it is concerned with domestic utilities, and no such objection to "joint control" as exists in the case of private capitalism. Indeed, whereas the difference of motive makes "joint control" impossible in a capitalist industry except on the basis of a surrender by the workers to capitalist ideas, there is no such difficulty in the way of joint control between Trade Unionists and Co-operators. This does not mean that, in the case of Co-operative employees, joint control is a substitute for encroaching control, but that it is available as an additional method which enables workers' control to be pushed further than it can be under a private employer.

The position of the Co-operative employee is much more like that of the employee of a public authority

and, given the requisite demand among the Co-operative employees themselves, is at least as favourable to the winning of control as that of the employees of a public authority actually dominated by Labour. It is distinctly more favourable than that of a State employee, and will remain so as long as nationalised industries are owned by a State dominated by capitalist ideas and motives. "Joint control" is, to some extent, possible for State employees, because direct production for profit is eliminated from nationalised services; but it is much easier for Co-operative employees, because it means joint control with a movement dominated by their own class.

This being so, there are clearly, in the process of winning control in the services owned by the Co-operative Movement, two sides to be considered. There is, first, the question of the steps to be taken by Co-operative employees themselves; and secondly, there is the question of the way in which Co-operators should meet the demands which their employees put forward.

In distribution, with which we are mainly concerned, no less than in productive industries, any real "control" movement must begin mainly at the bottom. The shop or store is to distribution what the workshop is to industry, and has the advantage of being at least as favourable a field as the workshop for the assumption by the workers of a substantial measure of control. The Shop Steward and the Shop Committee have as important a part to play in the distributive industries as their namesakes have in engineering. The first step towards any real control movement is the general formation of Shop Committees and Store Committees based on an effective Shop Stewards' movement throughout the distributive industry—for this first step, unlike some of the subsequent steps, is just

as well suited to the capitalist multiple shop businesses as to the Co-operative Stores.

These Shop and Store Committees, like the Shop and Works Committees in productive industries, should aim at a steady transference into their hands of as much of the control of the shop and store as they can conveniently assimilate. They should adopt the measures described in a previous chapter under the name of "Collective Contract,"[1] insist on control over engagements and dismissals, over methods of payment, over the appointment of departmental and branch managers, over the detailed organisation of work in the shop or department, substituting, wherever possible, for the individual relation of each employee to the "management," a collective relation of all the workers. These steps, again, apply equally to Co-operative and to capitalist distributive enterprise.

But, whereas in a capitalist concern not one of these steps is likely to be successfully taken without a struggle, in Co-operative employment, if the situation is rightly handled, it may be possible not only to take these steps, but to go considerably further, with the assent and goodwill, if not always of the bureaucrats of Co-operation, at any rate of the mass of the members of the Co-operative Societies. Thus, I believe that Co-operative employees, when they have set up their departmental and Store Committees of Shop Stewards, can safely and usefully take at once a further step, and demand in each department, and for the Store as a whole, joint committees equally representing the employees and the elected Committee of the Co-operative Society. This joint body would be, not a substitute for the assumption of shop control by the workers themselves, but a body which

[1] See *Workers' Control in Engineering and Shipbuilding*.

would, rightly used, greatly facilitate the transference and provide for a close contact, at every stage of the process, with the elected representatives of the consumers. This double process of encroaching control and joint control might result in the gradual transformation, without a sharp break at any point, of the Trade Union of Co-operative employees into a Guild, and of the Co-operative Movement into a consumers' organisation no longer directly controlling industry, but representing as owner the standpoint of the consumers in relation to the Guild.

Of course, I do not assume that this process will be absolutely smooth and effortless. Co-operative employees must be prepared to fight, and will have, on occasion, to fight, for control against a recalcitrant Co-operative Society dominated by a bureaucracy hostile to the new ideas. But, on the whole, if they appeal directly to the Co-operative members, who are themselves largely Trade Unionists, I believe that they can secure the election of committees which will really represent the consumer and take a view in which the aspirations of men as consumers and producers will be reconciled. Workers' control in distribution, as well as in other industries, is in the interest of consumers at least as much as of producers. The whole argument that the consumer will be best served if he leaves the organisation of service in the hands of the service-renderers, applies to the services controlled by Co-operation as much as elsewhere. It is not because I want the Co-operator Trade Unionist to take the producer's rather than the consumer's point of view that I suggest an appeal to him, if necessary, over the head of his committee. It is because I believe that the Guild solution offers the best reconciliation and expression of both points of view that I

think an appeal based upon it is likely to persuade the rank and file Trade Unionist Co-operator.

But, it will be asked, if the Co-operative Committee is no longer to manage the Store, what will its functions be? Will it not become useless and disappear? By no means. The Committee does not in reality manage the Store to-day: it leaves that to the manager. Its function, which would remain to it and be far better exercised if it were relieved of its supposed function of management, would be that of representing the point of view, and making effective the demand, of the consumers. It would fulfil this function by constant consultation with the workers entrusted with the management of the Store, by criticism of them, and in dealing with such matters as the fixing of prices or taking up a complaint with other Guilds from which the Distributive Guild would draw its supplies. Moreover, as we saw in an earlier section of this chapter, the Co-operative body would remain the actual owner of the means of distribution and of the means of production closely allied to distribution. It would thus have a direct responsibility in connection with all questions of capital outlay, building and development of Stores and branches, and all other general financial questions relating to the service of distribution. These functions alone would certainly suffice to keep the Co-operative Committees busy on important work under the new conditions. In addition, I believe they would have an important position as a recognised and integral part of the structure of local government; but a consideration of this point would take us too far afield from our present purpose.

The conclusions, then, at which we have arrived are, first, that the principles of workers' control are no less applicable to services owned by the Co-operative Move-

ment than to those under other forms of public ownership; secondly, that a greatly enlarged sphere of activity will remain to co-operatively-owned enterprise even when national and municipal ownership have achieved their full development; and, thirdly, that to a great extent it should prove possible to make the transition to Guild control in the Co-operative Movement by agreement instead of force, if Trade Unionists and Co-operators can be persuaded to reach a common understanding about their ideals and objects as a basis for a common policy in dealing with immediate questions.

If you agree with the attitude expressed in this pamphlet, and wish to play your part in spreading the idea of workers' control, join the National Guilds League, 39 *Cursitor Street, London, E.C.* 4. *Subscription,* 1*s. per month, or* 12*s. per annum. Full particulars from the Secretary.*

[P.T.O.

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